Public Utilities Commission of the
City and County of San Francisco

Wastewater Enterprise

Annual Disclosure Report

For Fiscal Year Ended
June 30, 2007

SFPUC

WATER
WASTEWATER
POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

FINANCIAL SERVICES
1155 MARKET ST., 5TH FLOOR, SAN FRANCISCO, CA 94103 • TEL. (415) 487-5250 • FAX (415) 487-5258

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F.X. CROWLEY

SUSAN LEAL
GENERAL MANAGER

March 20, 2008

VIA E-MAIL: DisclosureUSA.org (copy to follow via U.S. Mail)

Dear Investors and Interested Parties:

We are pleased to present the Annual Disclosure Report for fiscal year ending June 30, 2007 for the Public Utilities Commission of the City and County of San Francisco (SFPUC), Wastewater Enterprise. This filing relates to the following associated base CUSIP number:

SFPUC Wastewater Enterprise 797709A

This Annual Disclosure Report is being provided by the SFPUC in connection with our undertaking entered into in accordance with Rule 15c2-12, promulgated by the U.S. Securities Exchange Commission. The information provided in this Annual Disclosure Report speaks only as of its date and is subject to change without notice. The delivery of this Annual Disclosure Report may not, under any circumstances, create an implication that there has been no other change to the information provided in any final official statement. SFPUC has not agreed to notify the secondary market of subsequent changes to the information in this Annual Disclosure Report.

If you have any questions regarding this Annual Disclosure Report, please contact Joseph Yew, Finance Director, SFPUC, at (415) 487-5256 or by e-mail at jyew@sfwater.org.

Sincerely,

Susan Leal
General Manager

Enclosure

CC: José Cisneros, Treasurer
Edward M. Harrington, Controller
Dennis J. Herrera, City Attorney
Nadia Sesay, Director, Office of Public Finance
Angela Calvillo, Clerk of the Board of Supervisors

City and County of San Francisco

Gavin Newsom, Mayor

Board of Supervisors
Aaron Peskin, President

Michela Alioto-Pier
Tom Ammiano
Chris Daly
Bevan Dufty
Sean Elsbernd
Carmen Chu
Sophie Maxwell
Jake McGoldrick
Ross Mirkarimi
Gerardo Sandoval

City and County Officials

Edwin M. Lee, City Administrator
Dennis J. Herrera, City Attorney
Edward M. Harrington, Controller
José Cisneros, Treasurer

Public Utilities Commission

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E. Dennis Normandy, Vice President
Ambassador Richard Sklar, Commissioner
David Hochschild, Commissioner
F.X. Crowley, Commissioner

Public Utilities Commission Staff

Susan Leal, General Manager
Tony Irons, Deputy General Manager
Michael Carlin, Assistant General Manager, Water
Tommy Moala, Acting Assistant General Manager, Wastewater
Barbara Hale, Assistant General Manager, Power
Harlan Kelly, Jr., Assistant General Manager, Infrastructure
Scott MacDonald, Assistant General Manager, Business and Financial Services
Laura Spanjian, Assistant General Manager, External Affairs

Current as of March 20, 2008

The San Francisco Public Utilities Commission (SFPUC) hereby provides this Annual Disclosure Report for the fiscal year ending June 30, 2007 in connection with obligations undertaken pursuant to Continuing Disclosure Certificates for revenue bonds issued by SFPUC's Wastewater Enterprise, as provided in the table below. Audited Financial Statements for the years ending June 30, 2006 and June 30, 2007 are submitted separately.

Name of Bonds	Original Par ($000s)	Dated Date	Official Statement Date	Trustee	Source of Undertaking
Public Utilities Commission of the City and County of San Francisco Clean Water Revenue Bonds, 2003 Refunding Series A	$396,270	January 28, 2003	January 14, 2003	US Bank	Continuing Disclosure Certificate, January 28, 2003

For the convenience of bondholders, the following table provides CUSIP numbers for revenue bonds outstanding as of September 30, 2007. No assurance as to the accuracy or completeness of such CUSIP numbers is given. The base CUSIP number for these bonds is

797709A

Maturity October 1	Wastewater 2003 Refunding Series A
2007	B8
2008	C6
2009	D4
2010	E2
2011	F9
2012	G7
2013	H5
2014	J1
2015	K8
2016	L6
2017	M4
2018	N2
2019	P7
2020	Q5
2021	R3
2022	S1
2023	T9
2024	U6
2025	V4

SFPUC Wastewater Enterprise
Senior State Loans Repayment Obligations
and 2003 Bonds Debt Service Schedule

Fiscal Year Ending June 30	Senior State Loans Repayment Obligations	2003 Bonds Debt Service			Combined Repayment Obligations And Debt Service
		Interest	Principal	Total	
2008	16,505,200.00	15,698,400.00	34,500,000.00	50,198,400.00	66,703,890.00
2009	16,505,200.00	14,645,925.00	35,665,000.00	50,310,925.00	66,816,415.00
2010	16,505,200.00	13,182,700.00	37,130,000.00	50,312,700.00	66,818,190.00
2011	16,505,199.00	11,826,750.00	26,320,000.00	38,146,750.00	54,652,240.00
2012	10,982,947.00	10,958,850.00	22,010,000.00	32,968,850.00	43,951,912.00
2013	9,421,497.00	9,941,275.00	23,095,000.00	33,036,275.00	42,459,890.00
2014	9,040,461.00	8,754,025.00	24,395,000.00	33,149,025.00	42,189,619.00
2015	6,287,512.00	7,467,162.50	25,790,000.00	33,257,162.50	39,544,803.50
2016	5,267,636.00	6,072,893.75	27,325,000.00	33,397,893.75	38,665,655.75
2017	3,619,138.00	5,102,312.50	11,920,000.00	17,022,312.50	20,641,517.50
2018	1,751,426.00	4,518,918.75	12,575,000.00	17,093,918.75	18,845,388.75
2019	1,751,426.00	3,839,306.25	13,315,000.00	17,154,306.25	18,905,776.25
2020	1,751,426.00	3,119,137.50	14,120,000.00	17,239,137.50	18,990,607.50
2021	1,751,426.00	2,355,787.50	14,960,000.00	17,315,787.50	19,067,257.50
2022	-	1,567,212.50	15,835,000.00	17,402,212.50	17,402,212.50
2023	-	796,212.50	15,005,000.00	15,801,212.50	15,801,212.50
2024	-	359,100.00	2,610,000.00	2,969,100.00	2,969,100.00
2025	-	231,918.75	2,745,000.00	2,976,918.75	2,976,918.75
2026	-	83,362.50	3,510,000.00	3,593,362.50	3,593,362.50
Total	$117,645,694.00	$120,521,250.00	$362,825,000.00	$483,346,250.00	$600,995,969.00

The following tables are provided pursuant to the Continuing Disclosure Certificates executed in connection with the SFPUC's Wastewater Revenue Bonds.

SFPUC Wastewater Enterprise
Summary of Sewer Accounts and Billing by User Type

User Type	Active Accounts as of June 30, 2007	2006-2007 Billings[1]	Billings as Percent of Total
Single Family Residential	109,990	$42,222,977.95	24.67%
Multi-Family Residential	38,943	61,125,026.74	35.72
Industrial	105	837,420.84	0.49
Commercial	20,788	65,331,217.09	38.17
Municipal Customers	419	1,625,693.98	0.95
Total	170,245	$171,142,336.60	100%

SFPUC Wastewater Enterprise
Historical Sewer Rates
(Per Hundred Cubic Feet of Water Consumption)

Fiscal Year Ending June 30,	Schedule A				Schedule B and C	
	Lifeline Rate[2]		Regular Residential Rate		Non-Residential Rate	
	Rate ($/ccf)	% Increase	Rate ($/ccf)	% Increase	Rate ($/ccf)	% Increase
1995	1.68	4.99%	4.22	7.28%	4.58	7.14%
1996	1.77	5.35	4.58	8.53	5.00	9.17
1997	1.86	5.08	4.83	5.46	5.35	7.00
1998	1.86	0.00	4.83	0.00	5.35	0.00
1999	1.86	0.00	4.83	0.00	5.35	0.00
2000	1.86	0.00	4.83	0.00	5.35	0.00
2001	1.86	0.00	4.83	0.00	5.35	0.00
2002	1.86	0.00	4.83	0.00	5.35	0.00
2003	1.86	0.00	4.83	0.00	5.35	0.00
2004	1.86	0.00	4.83	0.00	5.35	0.00
2005	2.15	15.59	5.37	11.18	5.82	8.79

[1] Billings shown on a cash basis; revenues shown in later table are on accrual basis in accordance with GAAP.
[2] First 300 cubic feet of water consumption per dwelling unit per month billed at the lifeline rate and all excess use at the regular residential rate.

On July 1, 2005 (FY 2005-2006), the SFPUC changed its basis of billing from water units to discharge units and implemented a three-tiered rate structure for residential customers to promote conservation.

Fiscal Year Ending June 30,	Schedule A						Schedule B	
	Regular Residential Rate							
	Tier 1: First 3 Ccf		Tier 2: 4-5 Ccf		Tier 3: 6+ Ccf		Non-Residential Rate	
	Rate ($/ccf)	% Increase	Rate ($/ccf)	% Increase	Rate ($/ccf)	% Increase	Rate ($/ccf)	% Increase
2006	2.54	n/a	6.36	n/a	7.27	n/a	7.35	13.60
2007	2.88	13.40	7.19	13.10	8.22	13.10	8.26	12.40
2008	3.14	9.00	7.84	9.00	8.96	9.00	8.80	6.50

SFPUC Wastewater Enterprise
Historical Revenues, Operating and Maintenance Expenses and Debt Service Coverage
For Fiscal Years Ending June 30
($000's)

	2003	2004	2005	2006	2007
OPERATING AND INVESTMENT REVENUES					
Sewer Service Charges	$130,013	$133,160	$144,348	$159,281	$176,344
Other Revenues	4,732	4,646	4,540	5,422	17,067
Investing Activities[3]	2,499	369	2,837	5,024	4,790
Total	$137,244	$138,175	$151,725	$169,727	$198,201
OPERATING AND MAINTENANCE EXPENSES					
Salary and Fringe Benefits	$37,480	$37,221	$37,782	$44,798	$58,789
Contractual Services	5,432	5,802	6,227	7,962	11,536
Materials and Supplies	7,288	7,142	8,283	8,565	9,526
Depreciation and Amortization	38,369	38,094	37,800	37,228	36,683
General and Administrative	11,974	20,294	22,249	13,725	4,143
Services of Other PUC or Other Departments	20,656	20,572	23,234	24,105	28,010
Other	7,978	791	3,715	4,571	2,913
Total	$129,177	$129,916	$139,290	$140,954	$151,600
OPERATING AND INVESTMENT INCOME	$8,067	$8,259	$12,435	$28,773	$46,601
COVERAGE CALCULATION[4]					
+ Operating and Investment Income	$8,067	$8,259	$12,435	$28,773	$46,601
+ Depreciation and Non-Cash Expenses	38,977	38,304	39,504	38,643	37,461
+ Changes in Working Capital	98	4,538	3,192	(3,859)	(2,461)
+ SRF Loan Payments	(20,132)	(20,132)	(19,608)	(20,134)	(20,131)
= "Net Revenue"	$27,010	$30,969	$35,523	$43,423	61,470
+ Other Available Funds[5]	28,593	20,793	13,278	16,323	30,427
Funds Available for Bond Debt Service	$55,603	$51,752	$48,801	$59,746	91,897
Revenue Bond Debt Service[6]	$35,084	$18,506	$17,742	$17,219	50,712
Debt Service Coverage	1.58x	2.80x	2.75x	3.47x	1.81X

3 Includes cash receipts on invested funds.
4 The Indenture defines Net Revenue on a cash basis.
5 As per the Indenture, in addition to current year cash flow, the coverage calculation permits the inclusion of funds not budgeted to be spent in the next 12 months and legally available to pay debt service. Source: City Controller financial accounting system, FAMIS.
6 Revenue Bond Debt Service for FY2002 and FY2003 excludes available debt service funds applied to a defeasance (in FY2002) and a refunding (FY2003). Source: San Francisco Public Utilities Commission, audited financial statements.

Subsequent Event

a. **Wastewater Commercial Paper**

In February 2007, the SFPUC established a $150,000,000 Commercial Paper Program for the Wastewater Enterprise. As of June 30, 2007, $50,000,000 was outstanding.